



The Gazette of Meghalaya

EXTRAORDINARY

PUBLISHED BY AUTHORITY

No. 58

Shillong, Tuesday, March 19, 2024

29th Phalguna, 1945 (S. E.)

PART-IIA

GOVERNMENT OF MEGHALAYA

LAW (A) DEPARTMENT

The 18th March, 2024.

CORRIGENDUM

No.LJ (A) 31/2013/155. - Please read "**Addition of Rule 6**" instead of "**Addition of Rule 7**", "**existing rule 5**" instead of "**existing rule 6**" and "**6 - Secondment permanent employee**" instead of "**7 - Secondment permanent employee**" as appeared in Rule 3 of this Department's Notification No.LJ (A) 31/2013/153, dated 19th February, 2024.

C. V. D. DIENGDOH,
Secretary to the Govt. of Meghalaya,
Law Department.



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PART-IIA

GOVERNMENT OF MEGHALAYA

COMMERCE & INDUSTRIES DEPARTMENT

NOTIFICATION

The 14th March, 2024.

No.IND.15/2024/82. - The Governor of Meghalaya is pleased to notify the "**Meghalaya Industrial and Investment Promotion Policy, 2024**" with the objective to serve as a strategic unified framework, drawing investments at regional, national, and international levels. This Policy aims to leverage benefits of Uttar Poorva Transformative Industrialization Scheme (UNNATI), 2024 by providing additional advantages to the investors, streamline administrative processes, consolidating multifaceted initiatives under a single platform to promote economic development, local youth participation, community participation and employment opportunities.

PRAVIN BAKSHI,
Commissioner and Secretary to the Govt. of Meghalaya,
Commerce & Industries Department.

Preamble

The Government of Meghalaya is dedicated to foster economic and human capital growth, aiming to uplift its position among the top ten states in the country by the end of the decade. As the State is witnessing economic transformation and industrial growth, the vision is to harness the State's optimum potential. Hence, for Meghalaya State to emerge as a leader, it is crucial to have sustainable growth encompassing human, environmental, social, and cultural resources through industrialization, entrepreneurship, innovation, and governance.

The Chief Minister has launched the "Mission 10" - an action plan aimed at building a \$10 billion economy through Investment Promotion and Private Sector Development considered as a pivotal opportunity to drive economic progress. The State intends to focus upon developing a desirable environment for entrepreneurs and businesses to thrive. Likewise, attracting private investment is identified as a top priority, and the government is actively working towards creating such an investor-friendly ecosystem through a series of initiatives.

The Meghalaya Industrial & Investment Promotion Policy, 2024, will serve as a strategic unified framework, drawing investments at regional, national, and international levels. The Policy aims to align with the Government of India's Uttar Poorva Transformative Industrialization Scheme (UNNATI), 2024 which is designed to strengthen the Industrial Eco-System in the North East and attract New Investment. This policy aims to leverage benefits of Uttar Poorva Transformative Industrialization Scheme (UNNATI), 2024 to provide additional advantages to the investors, streamline administrative processes, consolidating multifaceted initiatives under a single platform to promote economic development, local youth participation, community participation and employment opportunities. Moreover, such a framework will be pivotal in achieving inclusive growth and overall sustainable development.

Abbreviations**List of Abbreviations**

AGMARK	Agriculture Marketing
APEDA	Agricultural and Processed Food Products Export Development Authority
BIS	Bureau of Indian Standards
CA	Chartered Accountant
CAGR	Compound Annual Growth Rate
CETP	Common Effluent Treatment Plant
CFC	Chlorofluorocarbon
CGST	Central Goods and Services Tax
CGTMSE	Credit Guarantee Trust for Micro and Small Enterprises
CIG	Community Industrial Group
CIGA	Community Industrial Group Agreement
CPA	Community Participation Agreement
CPPP	Community Private Public Partnership
DG	Diesel Generator
DPIIT	Department for Promotion of Industry and Internal Trade
EOT	Electric Overhead Travelling cranes
EPF	Employees' Provident Fund
FCI	Fixed Capital Investment
FPC	Farmer Producer Company
FPO	Farmer Producer Organisations
FSC	Forest Stewardship Council
FSSAI	Food Safety and Standards Authority of India
GSDP	Gross State Domestic Product
GST	Goods & Service Tax
GSTIN	Goods & Service Tax Identification Number
IEM	Industrial Entrepreneur Memorandum
IGST	Integrated Goods and Services Tax
IQF	Individual Quick Freezing
ISO	International Organization for Standardization
IT	Information Technology
ITES	Information Technology Enabled Services
MIIPP	Meghalaya Industrial & Investment Promotion Policy
MSME	Micro, Small and Medium Enterprise

List of Abbreviations	
MT	Metric Tons
MW	Mega-Watt
NER	North-East Region
NOC	No-Objection Certificate
PPP	Public Private Partnership
R&D	Research & Development
SGST	State Goods & Service Tax
ST	Scheduled Tribe
SWA	Single Window Agency
UAM	Udyam Registration
UIP	Unified Investment Portal
ZED	Zero Effect Zero Defect

Definitions

- i. **"District Investment Committee"** means an investment committee constituted under Meghalaya State Investment Promotion & Facilitation Act 2024 for the purpose of approval of investments of up to Rupees One Crore and financial incentive package for Micro Industrial Units in Meghalaya.
- ii. **"Diversification"** means manufacturing of new product(s) / rendering new service(s) by an Industrial Unit either at its existing location or a new location using additional Fixed Capital Investment, provided that the additional Fixed Capital Investment is not less than 25% of Original Fixed Capital Investment and results in increase in regular employment in the Industrial Unit by at least 10%. Mere replacement / substitution of existing products / services shall not be considered as diversification.
- iii. **"Fixed Capital Investment"** for the purpose of MIIPP 2024 means investment made on Factory Building and Plant & Machinery. Investment made on Factory Building will also include internal wiring for lighting.
- iv. **"Government"** or **"State Government"** means Government of Meghalaya.
- v. **"Industrial Policy"** means the "Meghalaya Industrial & Investment Promotion Policy, 2024".
- vi. **"High-Powered Investment Committee"** means an investment committee constituted under Meghalaya State Investment Promotion Facilitation Act 2024 for the purpose of approval of investments of more than Rupees Ten Crores and customized financial incentive packages.
- vii. **"Industrial Park"** means an Private Industrial Estate / Industrial Park / Industrial Growth Centres / Food Processing Park / Pharma Park / Export Promotion Industrial Park developed in Meghalaya in which plots of developed space or built-up space or a combination, with common facilities and quality infrastructure facilities, is developed and made available for establishment of industrial units to manufacture any goods or service and having basic industrial infrastructures like developed plot, internal roads, water distribution facilities, sewage collection and treatment, power distribution, communication faculties and such other facilities as may be required for the purposes of industrial activities or commercial activities in accordance with the provisions under this policy.
- viii. **"Integrated Cold Chain Logistics Facility"** means a facility set up for establishing end to end linkage from farm gate to the consumer, to reduce losses through efficient storage, transportation, and minimal processing of agricultural, horticulture, dairy, fish & marine, poultry, meat products and other products. The key components of such a facility would include:
 - 1) **Minimal Processing Centre** at the farm level and other locations having facilities such as Weighing, Sorting, Grading, Waxing, Packing, Pre-cooling, Control / Modified Atmosphere Cold Storage, Normal Storage, and / or Individual Quick Freezing (IQF).
 - 2) Refrigerated Vans / Trucks and Mobile Insulated Vehicles used for transportation of goods / products.
 - 3) **Distribution Hubs** with Multi Products and Multi-Control Atmosphere (CA)/ Modified Atmosphere (MA) Chambers/ Cold Storage/ Variable Humidity Chambers, Packing Facility, Cleaning in Process (CIP), Fog treatment, Individual Quick Freezing (IQF) and Blast Freezing.
 - 4) **Irradiation facility.**

"Finished Good" means the goods produced and supplied by an industrial unit and for which it is registered under the State of Meghalaya.
- ix. **"Local tribal"** means local populace either Khasi/Garo/Jaintia/any other Scheduled Tribe recognized by the Government of Meghalaya and residing in the State of Meghalaya.
- x. a) **"Manufacturing unit"** means a unit that carries out the processing of raw materials or inputs in any manner that results in the emergence of a new product having a distinct name, character, and use.

- b) **"Services Unit"** means Hotels & Hospitality, Tourism (Homestays, Adventure, Health Tourism, Eco-Tourism & MICE), Education (Vocational & Digital/e-learning), Bio-tech, Fin-tech & Financial Services, Healthcare (Secondary & Tertiary), IT-ITeS, BPO, EV Charging Stations and Tech-oriented start-ups/units providing services in the field of education, Primary Healthcare and Agriculture.
- c) **"Commencement of Commercial Production (Manufacturing Sector)"** means starting manufacturing of finished goods on a commercial basis which is preceded by trial production and installation of complete plant and machinery for manufacturing finished products in commercial quantity and all raw materials, consumables, etc. required for manufacture are available.
- d) **"Commencement of Commercial Operation (Service Sector)"** means starting of operation/ delivery of services on a commercial basis.
- e) **"Building and other durable physical assets"** in the case of service sector units shall cover new buildings and other durable physical assets for a service sector unit where purchases have been made following an arm's length pricing. The details of durable physical assets shall be provided in the guidelines.
- xi. **"Original Fixed Capital Investment"** means Fixed Capital Investments in an industrial unit made prior to expansion, diversification.
- xii. **"Physically Challenged Person"** means a person with disabilities in accordance with the provisions of "The Meghalaya Rights of Persons with Disabilities Rules, 2017" or any other relevant Act of the State.
- xiii. **"State"** refers and means the State of Meghalaya.
- xiv. **"State Investment Committee"** means an investment committee constituted under Meghalaya State Investment Promotion & Facilitation Act 2024 for the purpose of approval of investments of more than Rupees One Crore to Rupees Ten Crores and financial incentive packages for Medium and Small Industrial Units in Meghalaya.
- xv. **"Raw material"** means materials or substances used by any unit to produce or manufacture the finished goods.
- xvi. **"Turnover"** means the aggregate value of realisation in monetary terms made from the sale of manufactured goods/ services by an Industrial Unit / Enterprise during an accounting year. Income from other sources (non-operating income) like interest received, grants or subsidies, trading activity, resale of products / goods will not be counted in turnover.
- xvii. **"Unified Investment Portal (UIP)"** means an online system to provide all clearances to the investors as defined under Meghalaya State Investment Promotion & Facilitation Act, 2024.
- xviii. (a) **"Unit"** means any industrial manufacturing entity or service sector enterprise registered under Goods & Service Tax Act, 2017 or Industrial Park, excluding the Industrial Unit in which Government has more than 50% stake/shareholding.
- (b) **"New Unit"**
- i. For the manufacturing sector, a unit registered under this scheme on or after 12th March, 2024 but not later than 30th September, 2026. Such a unit has to commence commercial production within 4 years from the date of grant of registration.
 - ii. For the Service sector, a unit registered under this scheme on or after 12th March, 2024 but not later than 30th September, 2026. Such a unit has to commence commercial operation within 4 years from the date of grant of registration.
 - iii. A new unit will be required to fulfil the following conditions:
 - It is not formed by splitting up, or reconstruction of a business already in existence.

- It is not formed by transfer to the new unit of plant or machinery previously used for any other purpose.
- It has not relocated from elsewhere and/or is not an existing unit reopened under a new name and style.

iv. New unit must have a new GSTIN, and unit cannot use a GSTIN of any existing unit

Provided that heritage property not in use before 12th March, 2024 is restored thereafter for commercial or hospitality or tourism services on a commercial basis, it will also be considered as a new unit as per eligibility conditions to be further elaborated in detailed guidelines.

(c) **"Existing Unit"** means a unit that has commenced commercial production/operation prior to date of notification of the Industrial Policy and having a valid GST Identification Number (GSTIN) in the State of Meghalaya.

(d) **"Expansion"** means an additional investment of a minimum of twenty-five percent (25%) of the total amount of investment already made in an existing unit in plant and machinery (for manufacturing sector) or construction of building and other durable physical assets (for service sector).

The additional investment should increase production capacity/enhancement of Services or diversification and should not be a mere replacement of existing plant and machinery.

xix. **"Warehouse"** means any premise (including any protected place) which includes a place for storage and / or accumulation of goods under controlled conditions having provisions for handling, internal movement of goods and with or without value added services such as sorting, grading, packaging, etc.

1. Meghalaya-Economic growth potential

Nestled in the North-Eastern Region (NER) of India, Meghalaya is home to approximately 3.3 million people from diverse cultural backgrounds. It is a State of strategic importance, offering unique economic opportunities and contributing to region's overall growth narrative. It is bound by Assam to the north and northeast, and by Bangladesh to the south and south-west. The upcoming BBIN2 Corridor will turn Meghalaya into a strategic connecting node for Bangladesh, Bhutan and Nepal. In addition, the State's proximity to the Bay of Bengal further accentuates its potential to be an important trade hub for the NER.

Meghalaya has a multi-sectoral advantage in terms of its socio-economic characteristics. The State has a young population with approximately 70% of the population being under 35 years of age. There is a growing entrepreneurial ecosystem supported by the State Government to empower Start-ups to flourish through innovation and design. Furthermore, the State of Meghalaya has launched numerous initiatives as well as Governance & Citizen Engagements to create an environment conducive for economic development such as Entrepreneurships and Start-up Programs for Promoting Meghalaya Youth like PRIME, ASPIRE, STAR, MGMP, etc. Additionally, Government of India has launched the Uttar Poorva Transformative Industrialization Scheme (UNNATI), 2024 which is designed to strengthen the Industrial Eco-System in the North East and attract New Investment.

Meghalaya is endowed with rich diverse agroclimatic zones, unique waterfalls, and root bridges providing rare natural scenic beauty offering opportunities for both high-value tourism and agri-based industries.

Meghalaya's GSDP has grown at a CAGR of 6.89% for the last decade, almost doubling from Rs. 23,235 Cr in 2014-15 to Rs. 45,475 Cr in 2023-24 and the per capita income of the State grew from Rs. 72,563 to Rs. 1,10,062 during the same period.

1.1 Improved Connectivity

Meghalaya has a road network of about 13,000 Km. and intra-state passenger connectivity is facilitated by bus terminals in Phulbari, Tura, William Nagar, Sonapahar and Shillong while inter-state connectivity

is handled by ISBT in Shillong and Tura. Government of India is also planning to develop BBIN2 corridor, which will connect Meghalaya with Bangladesh, Nepal, and Bhutan.

In terms of air and rail connectivity, the state has an airport at Umroi which is at around 30 kilometres from the State Capital Shillong, has helicopter service connecting Shillong to Guwahati and Tura and railhead at Mendipathar with regular train service connecting Guwahati in Assam.

Additionally, the Government of India has envisioned speedy growth of North-East Region (NER), through development of rail sections, air-connectivity between NER and Association of Southeast Asian Nations (ASEAN) countries, as well as National Highway corridors to connect with Bangladesh.

1.2 Growing Demand Centres

Cities and towns such as Shillong, Tura, Jowai, Nongpoh, William Nagar, Nongstoin, Baghmara, Resubelpara, Byrnihat and Cherrapunji have organically become major markets and represent state's majority of the economic activity arising from active tourism, agricultural hubs, and industrial estates.

In terms of movement of the goods within the State, Shillong serves as a central hub for distribution to the smaller cities in the centre and east, while Tura caters to the West.

1.3 Globally marketable commodities

Meghalaya has abundance of mineral deposits such as coal, limestone, uranium, quartz, kaolin, granite, industrial clay, and sillimanite. Farmers in the state use traditional methods of cultivation for naturally organic production of fruits, nuts, and spices. The State's produce includes several high-ticket export items such as Khasi Oranges (exported to Dubai), Pineapple, Strawberry, Lakadong Turmeric (exported to UK & Netherland), Ginger, Honey, Black Pepper, Areca Nuts, Jackfruit, and various exotic flowers (Anthurium, Carnation, different types of Orchids etc.)

1.4 Fostering Industrial ecosystem

Meghalaya has largely been an agrarian economy with majority of its population dependent on land. In the last few decades, the State has witnessed a structural transformation in the economy with a growing contribution from the secondary and tertiary sectors to the State GSDP. To facilitate this transformation, the State has a well spread-out industrial infrastructure comprising of Industrial Estates, Industrial Areas, Growth Centres, Export Promotion Park, and Information Technology Park to facilitate growth of industrial activity in the State.

1.5 Need for the policy

The Investment Promotion and Private Sector Development plays a pivotal role for the state to achieve the "Mission 10"- an action plan aimed at building a \$10 billion economy. Hence, the implementation of reforms such as the comprehensive industrial policy is paramount for the State's sustainable and inclusive growth, benefiting communities and businesses. By strategically addressing entrepreneurship, priority sectors, sustainable industrial development, advanced infrastructure, investment promotion, and various other dimensions, the policy sets stage for a resilient and thriving economic landscape. Additionally, embracing technological advancements through alignment of central and state incentives, encouraging grassroots participation, and promoting exports in an enabling ecosystem shall lay a foundation to further solidify the State's position in the domestic as well as the global markets.



A conducive environment for your business to grow.

The collaboration between the Department for Promotion of Industry and Internal Trade (DPIIT) and the Indian States, has played a pivotal role in enhancing the Ease of Doing Business (EoDB) landscape across the nation. Meghalaya, though initially at a lower rank, has made substantial progress, earning recognition as an "Emerging Business Ecosystem" in the 2020 Business Reform Action Plan by DPIIT- an acknowledgement that is a testament to the state's dedicated commitment to creating a favourable business environment. The Meghalaya Government is now aiming to uplift this position in the subsequent ranking system.

Continuing its dedication to fostering a conducive environment for "Ease of Doing Business", the State is in process of simplifying investor onboarding, and addressing any challenges encountered. In addition to this, the State is also focusing on minimizing regulatory compliance burden which improves Ease of Doing Business, developing Unified Investment Portal, creating new Land-banks, etc. The State is establishing the "Invest Meghalaya Authority (IMA)" to oversee the investment promotion ecosystem. To facilitate this initiative, the Cabinet approved the Meghalaya State Investment Promotion & Facilitation (MSIPF), 2024, Act.

2. Policy Roadmap

2.1 Vision



“

To transform Meghalaya into an investment destination for achieving holistic green growth, empowering local communities, and fostering a sustainable economy.

”

2.2 Key Objectives

The key objectives that MIIPP 2024 aims to achieve are as follows:



Leveraging the Uttar Poorva Transformative Industrialization Scheme, 2024 (UNNATI 2024) to attract investments in the State.



Act as a growth catalyst for promotion of entrepreneurship and employment generation in the State.



Promote grassroots participation in strengthening the industrial eco-system of the State through proper incentivization.



Achieve development of the entire State through judicious harnessing of natural resources in a sustainable manner and promoting green growth.

Provide required impetus to the 'Priority Sectors' carrying significant revenue generation, employment creation, exports, and investment potential.



Develop and maintain state of art industrial infrastructure in the State for facilitating fast track industrial progress.

2.3 Core Values

The foundation on which MIIPP 2024 endeavours to achieve its desired objectives is as follows:

01

Sustainable and green growth of existing industries

02

Creation of industrial land-bank with state of art infrastructure

03

Employment generation for youth

04

Developing an efficient institutional framework

















05

Focus on regional development

Encourage Community Participation

2.4 Priority Sectors

To realise the economic vision, the following sectors have been identified as 'Priority Sectors' based on their potential of contributing to the economic growth of Meghalaya.

1		Hotels & Hospitality
2		Tourism (Homestays, Adventure, Health Tourism, Eco-Tourism & MICE)
3		Education (Vocational & Digital/ e-learning)
4		Bio-Technology
5		Fin-tech & Financial Services
6		Healthcare (Secondary and Tertiary)
7		Information Technology and ITES
8		Business process outsourcing (BPO)
9		EV Charging Station
10		Tech-oriented start-ups/units providing services in the field of Education, Primary Healthcare and Agriculture
11		Food Processing
12		Power Generation
13		Music, Films and Entertainment
14		Logistics
15		Green Start-ups
16		Others – Any other industry or activity notified by Government of Meghalaya

2.5 Policy Period and Applicability

2.5.1 Policy Title

This Policy shall be called the **"Meghalaya Industrial & Investment Promotion Policy 2024"**.

2.5.2 Commencement and Duration of the Policy

The "Meghalaya Industrial & Investment Promotion Policy 2024" shall come into effect from 21st day of December 2022 and shall remain in force up to and inclusive of 20th day of December, 2034 or till a new policy is announced by the Government of Meghalaya.

2.5.3 Application period for registration

The incentives / subsidies will be applicable for Industrial Unit receiving Single Window Clearance after the notification of the policy and will continue till 31st March, 2026 subject to the guidelines issued in this regard. Notwithstanding the permissible period of registration till 31st March, 2026.

Merely applying for registration will not entitle any applicant to claim incentives under this Policy. Further details for claiming incentives shall be provided in the claim guidelines of this policy.

No unit will have the right to claim the benefits unless it is specifically approved by the competent authority as laid out in the guidelines.

The registration will be granted by the competent authority as laid out in the guidelines, which will, *inter alia*, consider the prima facie eligibility of the unit.

All units willing to avail of incentives / subsidies have to apply for registration through the online portal.

2.5.4 Grant of registration

All applications for registration shall have to be disposed of by 30.09.2026 unless otherwise extended.

2.6 Classification of Manufacturing and Service Enterprises

The classification of the MSMEs have been done by the Union Government of India and defined under MEMED Act, 2006, as follows:

1. **Micro Enterprises** - Investment in Plant and Machinery or Equipment does not exceed Rs. 1 crore and turnover does not exceed Rs 5 crore.
2. **Small Enterprises** - Investment in Plant and Machinery or Equipment does not exceed INR 10 crore and turnover does not exceed Rs. 50 crore.
3. **Medium Enterprises** - Investment in Plant and Machinery or Equipment does not exceed INR 50 crore and turnover does not exceed Rs 250 crore.
4. **Large Industrial Enterprises** - Investment in Plant and Machinery or Equipment exceeds Rs. 50 crore.

3. MIIPP 2024 - Incentives / Subsidies

3.1 Eligibility Criteria

3.1.1 All units eligible under the Manufacturing and Service sector will be granted incentives / subsidies as defined under respective incentives.

3.1.2 Manufacturing sector units with a minimum investment of Rs. 1.0 crore in plant & machinery will be eligible for incentives / subsidies. For calculation of any incentive / subsidies, the eligible value shall be determined based on the investment made in Plant & Machinery in manufacturing sector. The incentives / subsidies shall not apply to the units that manufacture the products listed in the Negative list.

- 3.1.3 Service sector units with a minimum investment of Rs. 50 Lakh in building and other durable physical assets will be eligible for incentives / subsidies. For calculation of any incentives / subsidies, the eligible value shall be determined based on the investment made in building and other durable physical assets. The incentives / subsidies shall be applicable only for services listed in the Positive Sector.
- 3.1.4 For Micro Industries the minimum investment limit shall be ₹ 50 lakhs for both manufacturing and service sector.
- 3.1.5 For Micro industries (defined as per MSME industry norms), the Plant & Machinery calculation will include the cost of building construction as well.
- 3.1.6 All eligible units have to commence commercial production/operation within 4 years from the date of grant of registration. The unit shall be allowed to sell or supply of goods and services as defined under GST Act, 2017, the finished goods produced/manufactured in the intermediate phases. It is envisaged that certain units may install plant & machinery in phases. Thus, there will be a provision of phased commencement of production (maximum 3 phases), but the incentives will only flow after the final commencement of production. The date of commencement of commercial production after the completion of all phases shall not be later than 4 years from the date of registration through the online portal.
- 3.1.7 The final invoice for procurement of Plant & Machinery or for construction of building and durable physical assets must be on or after the date of notification of the Industrial Policy to be considered eligible.
- 3.1.8 The following definitions should be used to calculate the cost of Plant and Machinery (in Manufacturing sector) and cost of construction of Building for the service sector;
- (a) Cost of Plant and Machinery (in manufacturing sector) that is essential for manufacturing of finished goods but excludes the cost of land, consumables, disposables, or any other item charged to revenue.
 - (b) Cost of construction of Building and procurement of other durable physical assets for the service sector unit that are basic to running that particular unit in the service sector but excludes cost of land, consumables, disposables or any other item charged to revenue.
- 3.1.9 Eligibility for incentives / subsidies under this policy will be subject to verification of investment (core and non-core) in plant and machinery (in the manufacturing sector) and cost of construction of building and other durable physical assets (in the service sector).
- However, the incentive will be eligible only for core segment in both manufacturing and service sector. Details will be laid down in the guidelines.
- 3.1.10 The beneficiary of the incentives / subsidies has to furnish an undertaking regarding employment to the tune of;
- (a) For the 1st and 2nd Year from the date of commencement of commercial operations it employs local tribal (Khasi / Garo / Jaintia / any other Scheduled Tribe recognized by Government of Meghalaya) people to the extent of not less than 25 % in case of Managerial Positions and 90 % in case of Non-Managerial Positions of the total employee strength of the enterprise.
 - (b) From the 3rd Year from the date of commencement of commercial operations it employs local tribal (Khasi / Garo / Jaintia / any other Scheduled Tribe recognized by Government of Meghalaya) people to the extent of not less than 50% in case of Managerial Positions and 90 % in case of Non-Managerial Positions of the total employee strength of the enterprise.
 - (c) It follows the minimum wage policies of Government of Meghalaya.
- 3.1.11 The manufacturing facility / service unit for which incentives are being sought are in Meghalaya.

- 3.1.12 Central / State Public Sector Undertakings shall not be eligible for any incentives under the Policy.
- 3.1.13 Any payments made in cash for any transaction shall be treated as an ineligible amount for investment purpose for availing incentives / subsidy under MIIPP 2024.
- 3.1.14 In exceptional cases where an industrial unit can prove to the satisfaction of the State Government that workers with required skillset and expertise are not locally available, relaxation of the above clause will be allowed by the State Government for a specified period.
- 3.2 Nodal Agency
- The Department of Commerce & Industries will be the nodal agency for the disbursal of incentives under various components of the scheme.
- 3.3 Governance and Implementation Mechanism
- The Policy will be implemented in tandem with the institutional structure provided in the Meghalaya State Investment Promotion & Facilitation (MSIPF) Act, 2024. Detailed process and institutional mechanism constituted for governance and implementation of this Policy, along with their Power and function shall be provided in the guidelines.
- 3.4 List of Incentives / Subsidies
- The Incentives/ Subsidies available under MIIPP 2024 to eligible industrial units located anywhere in the State are as under:

Sr No	Type of Incentive
1	Capital Investment Subsidy
2	Interest Subvention Subsidy
3	SGST Reimbursement
4	Price Preference
5	Subsidy to Industrial Units owned by Physically Challenged persons
6	Transport Subsidy
7	Green Incentives
8	Subsidy on Power
9	Employee-related Incentives
10	Customized Package of Incentives
11	Incentives for Setting up of Industrial Park

3.5 Incentives

S. No	Type of Incentive	Type of Industrial Unit			
		Micro	Small	Medium	Large
1	State Capital Investment Subsidy	<p>Eligibility</p> <ul style="list-style-type: none"> New units, as well as Expanding units will be eligible to avail of this incentive An applicant (with the same name and GST number) can get incentives on maximum of one unit or application. A new unit registered will not be eligible to avail of the benefit under expansion. A unit can avail of this incentive only once. Physical verification of the units is mandatory before availing of this incentive. Detailed procedures for availing of the incentive shall be laid down in the guidelines. <p>Micro, Small and Medium Industrial Unit</p> <ul style="list-style-type: none"> Subsidy @30 % (thirty percent) on cost of plant and machinery (for the manufacturing sector) or for construction of building and installation of other durable physical assets (for services sector) up to Rs 50 crore Priority Sector- subject to a ceiling of Rs 10 crore Non- Priority sector- subject to a ceiling of Rs 8 crore <p>Large Industrial Unit</p>			

S. No	Type of Incentive	Type of Industrial Unit			
		Micro	Small	Medium	Large
		<ul style="list-style-type: none"> Subsidy @30 % (thirty percent) on cost of plant and machinery (for the manufacturing sector) or for construction of building and installation of other durable physical assets (for services sector) more than Rs 50 crore Priority Sector- subject to a ceiling of Rs 15 crore Non- Priority sector- subject to a ceiling of Rs 12 crore 			
2	State Interest Subvention Subsidy	<ul style="list-style-type: none"> New units, as well as Expanding units of both the manufacturing and service sectors will be eligible to avail this incentive. The Capital Interest Subvention would be eligible on the amount disbursed and not on the principal amount sanctioned for the term loan. However, disbursement of the eligible amount under this incentive shall begin only after the commencement of commercial production. This incentive is applicable on the loans availed from Scheduled Commercial Banks or Financial Institutions registered by Reserve Bank of India. For Priority Sectors, 5% interest subvention offered for 7 years. For Non-priority Sectors, 4% interest subvention offered for 7 years. 			
3	SGST Reimbursement	<ul style="list-style-type: none"> Only New units having a valid GST Identification Number (GSTIN) will be eligible for benefit under this incentive. For Priority Sectors, all eligible units will be granted GST Linked Incentive equal to 100% of the Net payment of GST, i.e., GST Paid less Input Tax Credit, for a maximum period of 15 years from the date of commencement of commercial production/operation or till the validity of the policy whichever is earlier up to a ceiling of 150% of fixed capital investment. However, GST paid on exported goods or services will not be counted towards eligible incentive amounts under this component. For Non-priority Sectors, all eligible units will be granted GST Linked Incentive equal to 100% of the Net payment of GST, i.e., GST Paid less Input Tax Credit, for a maximum period of 10 years from the date of commencement of commercial production/operation or till the validity of the policy whichever is earlier up to a ceiling of 100% of fixed capital investment. However, GST paid on exported goods or services will not be counted towards eligible incentive amounts under this component The amount of incentive paid in a financial year will be one-tenth of the total amount of eligible incentive under this component subject to full payment of GST as per GST return filed for the claim period. In case the Net GST paid by any unit in a financial year is more than one-tenth of the total amount of eligible incentive, the balance can be carried 			

S. No	Type of Incentive	Type of Industrial Unit			
		Micro	Small	Medium	Large
		forward to the subsequent financial year(s). Further, if the unit cannot claim the full eligible amount of incentives in the first 3 years, the same can be carried forward to subsequent years. However, this will not be carried forward beyond the eligible period of 10 years or beyond the policy's validity, whichever is earlier.			
4	Price Preference	Will be given in accordance with the existing "Meghalaya Procurement Preference Policy for Micro and Small Enterprises 2020", to all eligible manufacturing units.			
5	Subsidy to Industrial Units owned by Physically Challenged persons	Additional subsidy @10% on the cost of Factory Building and Plant & Machinery subject to a ceiling of Rs 50 lakhs provided the entrepreneur is the majority shareholder in the Industrial Unit and has domicile of Meghalaya.	Additional subsidy @10% on the cost of Plant & Machinery subject to a ceiling of Rs 50 lakhs provided the entrepreneur is the majority shareholder in the Industrial Unit and has domicile of Meghalaya.		
6	Transport Subsidy	<ul style="list-style-type: none">Actual expenditure incurred on inland transportation of raw materials sourced from within the State of Meghalaya and finished products produced in Meghalaya or 3% of annual turnover, whichever is lower subject to a maximum ceiling of Rs 10 lakh per annum for a period of 3 years for non-Priority sector.For Priority Sector, the maximum ceiling shall be Rs 15 lakhs for a period of 4 years.			
7	Green Incentives				
a	Subsidy on Cost incurred on installation of Rainwater Harvesting System in the Industrial Unit	A Subsidy @ 50% of cost of Rainwater Harvesting System subject to a maximum limit of Rs 2 lakhs for Micro and Small Industrial Units and Rs 10 lakhs for Medium and Large Industrial Units			

S. No	Type of Incentive	Type of Industrial Unit			
		Micro	Small	Medium	Large
b	Subsidy on Cost incurred on installation of Wastewater Recycling facility in the Industrial Unit	A Subsidy @ 50% of cost of Wastewater Recycling facility subject to a maximum limit of Rs 5 lakhs for Medium Industrial Units and Rs 15 lakhs for Large Industrial Units.			
c	Reimbursement of expenses incurred on Water Audit by an Industrial Unit	<p>A Subsidy @ 75% of expenses incurred on Water Audit by an Industrial Unit subject to a maximum of Rs 1 lakh provided it results in a saving of at least 25 % in consumption of water by the respective industrial unit.</p> <p>The Water Audit will have to be conducted by an agency recognised by Central or State Government and a final audit report along with certificate for resultant savings will need to be submitted by the industrial unit at the time of applying for the subsidy.</p>			
d	Subsidy on Cost incurred on installation of Zero Discharge facility in the Industrial Unit	A Subsidy @ 50% of Cost incurred on installation of Zero Discharge facility subject to a maximum limit of Rs 5 lakhs for Medium Industrial Units and Rs 10 lakhs for Large Industrial Units.			
8 Subsidy on Power					
a.	Subsidy on Capital Investment on Power Generating Sets	<div><div><ul style="list-style-type: none">Subsidy @ 50 % on the cost of Power Generating Sets including Non-Conventional/Renewable Energy Generating Sets purchased for captive use, subject to a ceiling of Rs 20 lakhs for Conventional Sets and Rs 50 Lakhs for Non-Conventional / Renewable Energy Sets purchased by the industrial units.<p>Each Industrial Unit will be allowed a Single Claim either for Conventional or Non-Conventional Energy Set.</p></div><div><ul style="list-style-type: none">Subsidy @ 50 % on the cost of Power Generating Sets including Non-Conventional/Renewable Energy Generating Sets purchased for captive use of energy subject to a ceiling of Rs 50 lakhs for Conventional Sets and Rs 1 crore for Non-Conventional / Renewable Energy Sets purchased by the.<p>Each Industrial Unit will be allowed a Single Claim either for Conventional or Non-Conventional Energy Set.</p></div></div>			

S. No	Type of Incentive	Type of Industrial Unit			
		Micro	Small	Medium	Large
b.	Subsidy on Capital Investment on Drawl of Power Line	Subsidy of 100% on drawl of 11 KV and above power line including cost of transformer(s) subject to a maximum limit of Rs 10 lakhs provided the location is approved by the State Government.			
c.	Subsidy on Power Service Connection Charges	Subsidy of 50% on Power Service Connection Charges (excluding internal wiring) subject to a maximum ceiling of Rs 2 lakhs.			
9	Employee-related Incentives				
a	Reimbursement of Employers Contribution to Employee Provident Fund	<ul style="list-style-type: none">Subsidy of 100 % of employer's contribution to Employee Provident Fund (EPF) for a period of 3 years and 4 years for women employees from the commencement of commercial production / operations for skilled and semi-skilled workers who are domiciles of Meghalaya. <p>Reimbursement shall be made subject to a maximum ceiling of 12% of the employee's basic salary plus applicable dearness allowance and retaining allowance or Rs 1800 per month whichever is lower.</p> <p>This incentive is not applicable for IT & ITeS units.</p>			
10	Customized Package of Incentives				
	<p>(a) Industrial Units making a minimum investment of Rs 100 crores or more will be eligible for bespoke incentives.</p> <p>(b) Green Technology Industries with having registered patents will also be eligible for bespoke incentives irrespective of the value of investment for setting up the industries in Meghalaya.</p> <p>(c) Proposals with respect to the above incentives will be evaluated by the High-Powered Committee.</p>				

3.6 Negative List

- 3.6.1 List of industrial units / sectors which are not eligible for Subsidies / Incentives under Meghalaya Industrial & Investment Promotion Policy (MIIPP) 2024 are mentioned under Annexure A
- 3.6.2 To ensure genuine industrial activities in the State, benefits under MIIPP 2024 will not be admissible to goods in respect of which only peripheral activities like preservation during storage, cleaning operations, packing, repacking, labelling, or re-labelling, sorting, alteration of retail sale price etc. take place.

4. Policy Enablers

4.1 Promotion of Start-ups & Innovations

Provisions related to promotion of Start-ups in Meghalaya will be in accordance with the Meghalaya Start-up Policy 2018 or any other Act / Policy notified by the State Government.

4.2 Development of Projects in Meghalaya under Public Private Partnership (PPP) / Community Public Private Partnership (CPPP) Mode

Provisions related to development of Projects in Meghalaya under PPP / CPPP mode will be in accordance with the Meghalaya PPP Policy 2021.

4.3 Ease of Doing Business

4.3.1 Government of Meghalaya is committed to enhance the level of Ease of Doing Business in the State and has been engaged in a series of regulatory and institutional reforms to facilitate and speed up the delivery of various Public Services in the State in an efficient manner.

4.3.2 The State Government has notified "Meghalaya State Investment Promotion & Facilitation Act, 2024" to enhance level of Ease of Doing Business in Meghalaya by providing an accelerated and time bound grant for various licenses, permissions and issuance of clearances required from various competent authorities of Government of Meghalaya under various State enactments for setting up industrial or service sector undertakings and the promotion of economic development in the State.

4.3.3 Composition of the High-Powered Committee, State Investment Committee and District Investment Committee will be as defined under Meghalaya State Investment Promotion & Facilitation Act, 2024.

5. Policy Implementation

- i. The Department of Commerce & Industries, Government of Meghalaya shall be the administrative department for the implementation of MIIPP 2024.
- ii. It shall oversee functioning of all important sections / agencies involved in Policy implementation.
- iii. It shall formulate detailed guidelines / scheme regarding Policy provisions in consultation with concerned State departments.

5.1 Sanction of Incentives /Subsidies

Sanction of eligible subsidy claims shall be approved by the High- Power Committee, State Investment Committee and by the District Investment Committee (DIC) as defined under Meghalaya State Investment Promotion & Facilitation Act, 2024.

The High-Powered Committee shall grant approval of customized financial incentive packages under MIIPP, 2024.

5.2 Disbursement of Incentives / Subsidies

Respective line Departments shall be the designated for disbursement of incentives / subsidies under MIIPP, 2024, based on the recommendation of High-Powered Committee / State Investment Committee (SIC) / District Investment Committee (DIC) as the case may be.

5.3 Limit of Incentives / Subsidies

- i. In the event of Central Government is granting similar incentives / subsidies for same component of the Project, wherein the State incentives / subsidies are higher, the Scheme would be limited to the difference of the amount between the two subsidies / incentives from State.
- ii. In the event of similar set of incentives available under different sectoral policies / schemes in the State, the industrial unit may select the one offering higher incentive/ subsidy.

- iii. Enterprises opting to avail incentives under CM Elevate Program of the State Government, shall be eligible to avail only SGST incentive available under MIIPP, 2024.

6. Other Rights & Regulations

6.1 Rights of the State Government

- i. Department of Commerce & Industries, Government of Meghalaya reserves the right to amend any provision(s) or withdraw any of the incentives / subsidies as and when necessary for development of industries in the general interest of the people of the State from time to time under the provision of the Policy.
- ii. Department of Commerce & Industries, Government of Meghalaya reserves the right to review the matter regarding sanction / disbursement of subsidies / incentives to the eligible industrial unit(s) and in this connection, the State Government's decision shall be final and binding.
- iii. Department of Commerce & Industries, Government of Meghalaya reserves the right to modify the negative list of the industries, include or delete activities under 'Priority Sectors', as and when required in the interest of overall economic growth of the State and preservation of environment and ecology. In case of modification of the same Department of Commerce & Industries will consult Department of Finance / & / or other State Departments and move accordingly.
- iv. Department of Commerce & Industries, Government of Meghalaya reserves the right to make / amend the necessary guidelines / scheme for implementation of this Policy as and when required.
- v. If the State Government is satisfied that the subsidy to an industrial unit has been obtained by misrepresentation as to an essential fact or furnishing of false information, the State Government may ask the industrial unit to refund the incentive / subsidy after giving an opportunity to the unit of being heard.
- vi. **All concerned Departments of the Government of Meghalaya are requested to notify / amend respective Acts / Rules / Notifications / Schemes etc and issue necessary instructions for giving effect to these decisions.**

6.2 Change of Location

Without taking prior approval of the State Government, no owner of an industrial unit after receiving a part / whole of the subsidy will be allowed to change the location of the whole or any part of Industrial unit or effect any substantial contraction or dispose of a substantial part of its total fixed capital investment within a period of 5 years after its going into commercial production.

6.3 Repeal and Savings

Meghalaya Industrial and Investment Promotion Policy, 2012 stands repealed and substituted by Meghalaya Industrial and Investment Promotion Policy, 2024. The commitments made based on any of the previous Incentive Scheme shall continue to be governed by the corresponding scheme.

6.4 Interpretation

The decision of the Department of Commerce & Industries, Government of Meghalaya with regards to interpretation of any clause of the Policy shall be final and binding.

Annexures

7.1 Annexure – A: Negative List

Negative List of Sectors/Industrial Units not eligible for Incentives/Subsidies under MIIPP 2024

Sl No	Sectors / Industrial Units
1	All goods falling under Chapter 24 of the Central GST Tariff Act, 2017 which pertains to tobacco and manufactured tobacco substitutes.
2	Plastic carry bags of less than 20 microns as specified by Ministry of Environment and Forests Notification No. S.O. 705(E) dated 02.09.1999 and S.O. 698(E) dated 17.6.2003 and any subsequent amendments.
3	Goods falling under Chapter 27 of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) produced by Petroleum or Gas refineries.
4	Units not complying with environmental standards or not having applicable Environmental Clearance from M/o Environment & Forests and Climate Change or State Environmental Impact Assessment Authority (SEIAA) or not having requisite consent to establish and operate from the concerned Central Pollution Control Board/State Pollution Control Board.
5	Low-value addition activities in goods such as preservation during storage, cleaning, operations, packing, repacking, or re-labelling, sorting, alteration of retail sale price etc. excluding high-value packaging and processing.
6	Arms & Ammunition
7	All types of Sawmills and Veneer Mills
8	Wood-fuelled Lime Kilns
9	Central Public Sector Undertakings and State PSUs
10	Low Ash Metallurgical Coke and Petroleum Coke Units
11	Units engaged in Leather Tanning
12	Refining of Engine Oil
13	Cement
14	Any other industry or activity placed in negative list through a separate notification as and when considered necessary by the State Government